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June 12, 2019

Oregon Transportation Commission  
Oregon Department of Transportation  
355 Capitol Street NE, MS11  
Salem, OR 97301-3871

**Letter of Opposition -- Treasure Valley Reload Center**

The Oregon Eastern Railroad (OERR) is 23-mile-long short line railroad operating between Ontario, Oregon, the interchange with Union Pacific, and EP Minerals diatomaceous earth plant near Vale, Oregon.

Quick Facts about the OERR

- Interchanges about 1,000 carloads per year with daily service from Union Pacific Railroad (UP).
- Received two Connect Oregon grants for infrastructure upgrades.
- The 2010 Oregon Rail Study and The 2014 Oregon Rail Plan list the entire line “At-Risk Corridor” due to low traffic volumes.

The OERR is very supportive of economic development for this region and we agree with the merits and concept of the project, however we oppose this project for a variety of different reasons. Including:

1. Location of the facility did not properly assess connectivity issues with the rail system and interstate highway. The facility will require a cut-in to UP’s main track requiring costly track, signal and Positive Train Control (PTC) investments. All this could be avoided by locating on OERR. Furthermore, OERR has more flexible criteria for new rail connections which would reduce track construction costs, engineering approval process, and time to construction. This is a large public capital expenditure without a justified business need for that particular location and doesn’t take advantage of existing rail infrastructure.
2. The property and site selection process was not transparent and appeared to favor predetermined outcomes. OERR management attempted several times to point out multiple possible properties connecting to OERR but was completely ignored by Malheur County EDC.
3. Rail service will be more difficult at Nyssa than Ontario. UP has local train service for area customers in Ontario and daily interchange with OERR. Nyssa is currently outside those service limits and will require a new service point for UP.
4. Equipment supply in Ontario should be more favorable due to greater existing commercial operations with customers that utilize refrigerated railcars. OERR hosts a refrigerated car repair facility that is already pre-staging empty cars on existing tracks for area customers during regular and peak shipping season. Additional capacity to handle increased traffic is also available.
5. Location of the proposed Treasure Valley Reload facility is adverse to the only Eastern Oregon based short line railroad. It is highly likely to cannibalize business opportunities from the rail line, endangering its continued survival along with the family wage jobs that it and its remaining customers supply to rural Oregon. It does not seem to be an effective use of tax-payer dollars to fund a new operation that will directly compete with a state identified “at-risk” rail line that has also received Connect Oregon grants.



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We believe that property along OERR would be a better more cost-effective solution for the project. OERR only learned about this project from one of our customers and not from EDC. After introductory call and meeting with Malhuer EDC, we were completely ignored. We would encourage the OTC to not proceed this project as proposed. Prior to an investment of this size, a more transparent process assessing opportunities to leverage existing infrastructure and operations, modal connectivity issues, and consequential negative impacts to other critical transportation infrastructure is warranted.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Carswell". The signature is fluid and cursive, with the first name "Bruce" and last name "Carswell" clearly distinguishable.

Bruce Carswell  
Senior Vice President  
Oregon Eastern Railroad